

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

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CRYSTALLEX INTERNATIONAL CORP.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Misc. No. 17-151-LPS
	)	
BOLIVARIAN REPUBLIC OF VENEZUELA,	)	
	)	
Defendant.	)	

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**NOTICE OF SPECIAL MASTER'S RECOMMENDATION**

**PLEASE TAKE NOTICE THAT**, Robert B. Pincus, solely in his capacity as special master (the “**Special Master**”) for the United States District Court for the District of Delaware (the “**Court**”) in *Crystalex International Corp. v. Bolivarian Republic of Venezuela* (D. Del. Case. No. 17-151-LPS), and with the assistance of his advisors and in consultation with the Sale Process Parties,<sup>1</sup> has selected Amber Energy Inc. (the “**Buyer**”), an affiliate of Elliott Investment Management L.P., as the Successful Bidder pursuant to the Sale Procedures Order. The Special Master respectfully submits this Notice of Special Master’s Recommendation (this “**Notice**”) recommending to the Court approval of the Buyer’s purchase of all of the PDVH Shares pursuant to the terms and conditions set forth in the proposed executed Stock Purchase Agreement attached hereto as **Exhibit A** (the “**Proposed Purchase Agreement**” and the transactions contemplated thereby, the “**Proposed Sale Transaction**”).

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<sup>1</sup> All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the *Sixth Revised Proposed Order (A) Establishing Sale and Bidding Procedures, (B) Approving Special Master's Report and Recommendation Regarding Proposed Sale Procedures Order, (C) Affirming Retention of Evercore as Investment Banker by Special Master and (D) Regarding Related Matters* [D.I. 481] (the “**Sale Procedures Order**”) or the Purchase Agreement, as applicable.

**PLEASE TAKE FURTHER NOTICE THAT**, certain terms of the Proposed Purchase Agreement include:<sup>2</sup>

- i. **Purchase Price.** The purchase price for the PDVH Shares is equivalent to a total CITGO enterprise value of up to approximately \$7.286 billion, subject to material assumptions and adjustments pursuant to the Proposed Purchase Agreement, which terms are redacted in the attached Proposed Purchase Agreement but will be available upon the commencement of the Topping Period and the Special Master's filing of his final recommendation of the Proposed Sale Transaction, as described below (the "Final Recommendation").
- ii. **Purchase Price Escrow.** Cash consideration paid by the Buyer at closing of the Proposed Sale Transaction will be placed into escrow accounts in accordance with the Trust Structure Term Sheet attached as Exhibit A to the Proposed Purchase Agreement. The release of the escrowed proceeds will be subject to conditions including, among other things, resolution of Ascertained Alter Ego Claims and the CITGO Holding Pledge (each as defined in the Trust Structure Term Sheet).
- iii. **Injunction Termination Right.** In the event the Court denies the relief sought in the *Special Master's Motion to Enjoin the Alter Ego Claimants from Enforcing Claims Against the Republic or PDVSA by Collecting from PDVH or its Subsidiaries in Other Forums* [D.I. 1248] (the "Alter Ego Motion"), the Buyer may elect to terminate the Proposed Purchase Agreement (the "Injunction Termination Right").
- iv. **Superior Proposals.** From the date of execution of the Proposed Purchase Agreement until the date on which the Special Master files the Final Recommendation, the Special Master subject to a non-solicitation and non-discussion provision and is not permitted to consider any alternative proposals to purchase the PDVH Shares. If, following the Court's decision with respect to the Alter Ego Motion, and pursuant to the terms of the Proposed Purchase Agreement, the Special Master and the Buyer amend the Proposed Purchase Agreement and the Special Master files the Final Recommendation of the Proposed Sale Transaction, as amended, the 45-day period during which the Special Master may consider alternative proposals (the "Topping Period") will commence during which the Special Master will be permitted to consider alternative proposals, subject to the limitations set forth in the Proposed Purchase Agreement.

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<sup>2</sup> To the extent of any inconsistency between this Notice and the Proposed Purchase Agreement, the terms of the Proposed Purchase Agreement shall prevail.

In light of the Injunction Termination Right, the Special Master does not believe that a final recommendation of the Proposed Sale Transaction is appropriate at this time, nor would it be productive given the upcoming October 1, 2024 hearing on the Alter Ego Motion. Therefore, the Special Master recommends to the Court that it adopt the following briefing schedule and process related to the Proposed Sale Transaction:

- i. Notice filed on September 27, 2024
- ii. Hearing on Alter Ego Motion held on October 1, 2024
- iii. If the Court grants the relief requested in the Alter Ego Motion, the Special Master and the Buyer will work in good faith to make any amendments to the Proposed Purchase Agreement as are necessary to reflect the Court's ruling and, within three (3) business days after the execution of such amendments—*i.e.*, the Trust Structure Effective Date (as defined in the Proposed Purchase Agreement, which itself must occur by the later of October 25, 2024 and ten (10) business days following entry of the Court's order—the Special Master will file the Final Recommendation. The Final Recommendation will include (i) an amended Proposed Purchase Agreement, (ii) final Trust Documentation (as defined in the Trust Structure Term Sheet), and (iii) a proposed form of Sale Order.<sup>3</sup>
- iv. The deadline for objections to the Proposed Sale Transaction, and all other briefing deadlines provided in the Court's *Oral Order* [D.I. 1283] entered on September 20, 2024 will be based on the date of filing of the Final Recommendation.
- v. The Topping Period pursuant to the Proposed Purchase Agreement shall commence on the date of the filing of the Final Recommendation.
- vi. The Sale Hearing shall be scheduled based on the briefing schedule described in clause (iv) above.

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<sup>3</sup> Pursuant to the Sale Procedures Order, within seven (7) days after the filing of the Final Recommendation, the Special Master will file a report under seal (and serve a copy to the Sale Process Parties) that provides a summary of the Bids, including their cash and non-cash consideration components. Sale Procedures Order ¶ 13.

The Special Master is pleased to be able to notify the Court and the parties-in-interest of this milestone and will be prepared to present further information regarding the Proposed Sale Transaction to the Court during the October 1, 2024 hearing related to the Alter Ego Motion.

/s/ Robert B. Pincus

Robert B. Pincus  
Special Master for the United States District Court  
for the District of Delaware

Respectfully submitted,

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Dated: September 27, 2024